



Chairman: David Vaught

Members: Ed Bedore, Ricardo Morales, Larry Ivory, Bill Black

May 14, 2013

Bill Grunloh  
Chief Procurement Officer  
Illinois Department of Transportation  
Executive Ethics Commission  
2300 S. Dirksen Pkwy  
Room 200  
Springfield, Illinois 62764

**Re: 50-35 Potential Conflict of Interest, from the April 26, 2013 Letting, Items 72, 78, 87, 148 and 151**

Dear Mr. Bill Grunloh,

In accordance with the requirements of Section 50-35 of the Illinois Procurement Code, I have reviewed your request received May 13, 2013 and understand the facts to be as follows:

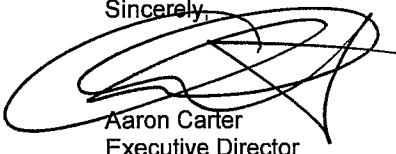
- 1) The Illinois Department of Transportation has issued a request for a review and comment on potential conflicts of interest disclosed by Illinois Valley Paving.
- 2) The contract pertains to the contract for construction related services in Pike, Macon, Piatt, Greene, Cass and Scott Counties.
- 3) Illinois Valley Paving was selected using Competitive Sealed Bidding.
- 4) The disclosure form submitted on behalf of Illinois Valley Paving indicates the following:
  - a. The Disclosure Form A submitted on behalf of Stephan A. Cullinan, M.D., an individual with an ownership interest and distributive income of more than 60% of the Governor's salary, indicates that Mr. Cullinan is the Chief Medical Officer of Health Professional, Ltd, and a minority shareholder in Correctional Healthcare Companies, Inc. Health Professionals, Ltd. is a health care company that provides medical management services to inmates at various Illinois Department of Corrections facilities statewide. Dr. Cullinan is in no position to influence the competitively sealed bidding process from the position he holds.
- 5) The Illinois Department of Transportation confirmed that none of the disclosed individuals were in a position to influence the award of this contract. The Illinois Department of Transportation and CPO Bill Grunloh indicate that it would be in the best interest of the State to approve this conflict of interest due to the using agency's needs and the value of the contract.

Based on the foregoing, you are requesting my review and comment pursuant to the Illinois Procurement Code.

Review and Comment

After careful review of the documentation provided, I do not view the relationships disclosed above as creating a conflict of interest sufficient to preclude the Illinois Department of Transportation from entering into a contract with Illinois Valley Paving for the services outlined in your letter received May 13, 2013.

Sincerely,



Aaron Carter  
Executive Director

Cc: EEC General Counsel

CLERK  
MAY 15 2013  
STATE OF ILLINOIS  
PROCUREMENT POLICY BOARD



# CHIEF PROCUREMENT OFFICE

Bill Grunloh, Department of Transportation - Highway Construction

May 9, 2013

Procurement Policy Board  
222 South College Street, Suite 231  
Springfield, IL 62704

RE: Conflict of Interest Disclosure Illinois Valley Paving, A Division of United Contractors Midwest Inc. (IVP), lowest responsible and responsive bidder for Items 72, 78, 87, 148, & 151 from the April 26, 2013 letting

Mr. Carter:

Attached is a potential conflict of interest form for IVP, lowest responsible and responsive bidder for Letting Items 72, 78, 87, 148, 151 from the April 26, 2013 letting by the Department of Transportation. Letting Item 72 consists of construction related services in Pike County and includes: This project consists of milling and resurfacing 7.57 miles of Illinois Route 106 from 1.1 miles east of Kiser Creek to 1 mile east of Barry; Letting Item 78 consists of construction related services in Macon-Piatt Counties, and includes: patching, milling, resurfacing and box culvert replacement on Illinois Route 48 from north of Cundiff Road to north of the Macon/ Piatt County Line for a project length of approximately 10.5 miles; Letting Item 87 consists of construction related services in Greene County, and includes: placing a new shoulder and rumble strips along 3.4 miles of Illinois Route 108 from west of TR 54 to east of TR 70 west of Carrollton. Item 148 consists of construction related services in Cass County, and includes: resurfacing 11.74 miles of Illinois Route 125 from east of Illinois Route 78 in Virginia to a point just west of Buchanan St./ Fulton Ln. in Ashland. Item 151 consists of construction related services in Scott County, and includes: 1.3 miles of patching and resurfacing on Illinois Route 100 from south of Naples Lane to south of Elm Street in Bluffs.

IVP was selected via competitively sealed bidding process. A description of the contracts and low bid amounts are enclosed with this letter and conflict of interest checklist. These contracts are in the Department's interests of maintaining safe roadway to ensure the safety of the motoring public.

Stephen Cullinan, MD, is Chief Medical Officer of Health Professionals, Ltd. and a minority shareholder in Correctional Healthcare Companies, Inc., its parent company. Dr. Cullinan is an individual holds an interest in UCM in excess of the statutory thresholds. Illinois Valley Paving is a division of UCM, as this is why this is being disclosed on UCM's disclosure and all disclosures for the divisions of UCM.

Health Professionals, Ltd. provides medical management and services to inmates at the following Illinois Department of Corrections facilities: IYC - St. Charles, IYC - Joliet, IYC - Warrenville, IYC - Chicago.

- 1) Illinois Youth Center, St. Charles, IL:
  - a. Start Date: 7/1/07
  - b. End Date: 6/30/2012
  - c. Contract #: 9903001
- 2) Illinois Youth Center, Joliet, IL:
  - a. Start Date: 7/1/07
  - b. End Date: 6/30/2012
  - c. Contract #: 9903001

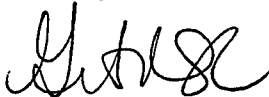
- 3) Illinois Youth Center, Warrenville, IL:
  - a. Start Date: 7/1/07
  - b. End Date: 6/30/2012
  - c. Contract # 9903001
- 4) Illinois Youth Center, Chicago IL:
  - a. Start Date: 7/1/07
  - b. End Date: 6/30/2012
  - c. Contract # 9903001

In addition, Dr. Cullinan holds an ownership interest in excess of 5% and does earn an income in excess of 60% of the Governor's salary. That said, however, Dr. Cullinan did not influence the competitively sealed bidding process in any way.

This conflict has been reviewed by our office, and it has been determined that this is not an actual conflict and will not interfere in the execution of this contract.

If you have any questions concerning this request, please contact Jim Layden of the Bureau of Design and Environment, Plans and Contracts Unit, at 217-782-7806

Sincerely,



Gretchen Tucka,  
State Purchasing Officer

Enclosures

STATE OF ILLINOIS  
PROCUREMENT POLICY BOARD  
CONFLICT OF INTEREST REVIEW  
CHECKLIST

Please ensure that the following documents are included with your request:

- ☒ Cover letter with overview of the potential Conflict of Interest
- ☒ Conflict of Interest Review Request Form
- ☒ Copy of Proposed Contract\*
- ☒ Any Prequalification Information Submitted by the Vendor
- ☒ Prior Procurement Policy Board/Office of the Governor Conflict of Interest Review Letter for this Vendor
- ☒ Copy of the Disclosure/Certification Documents Submitted by the Vendor

\*may be the proposed contract sent in with a RFP response, a copy of the solicitation response, etc.

Please scan original documents\*\* with signatures and email to:

aaron.carter@illinois.gov  
cc: deanna.rossetto@illinois.gov

If you are unable to scan and email the original signed documents, please send to:

Procurement Policy Board  
222 South College Street, Suite 231  
Springfield, IL 62704

\*\*If you scan and email the original documents, please do not send the original documents to our office. Please keep the documents in your procurement file.

## CONFLICT OF INTEREST REVIEW REQUEST FORM

The following information must be filled in as accurately and completely as possible. This form will be sent to the Procurement Policy Board providing essential information needed to review and determine if an actual conflict of interest exists, which is sufficient to preclude the State from entering into the attached proposed contract pursuant to section 50-35(d) of the Illinois Procurement Code.

### CONTRACTING AGENCY INFORMATION

Using Agency: Department of Transportation  
Address: 2300 S. Dirksen Parkway City/State: Springfield, IL  
Contact Person: Jim Layden Title: Acting Chief Contracts Official  
Phone: 217.782.7806 Fax: 217.785.1141  
Email: Jim.Layden@illinois.gov

### VENDOR INFORMATION FOR VENDOR WITH POTENTIAL CONFLICT

This Vendor is: ☒ Prime Vendor ☐ Sub-contractor  
Name of Vendor: Illinois Valley Paving  
Address: PO Box 13420 City/State: Springfield, IL 62791  
Contact Person: James P Bruner Title: President  
Phone: 217.546.6192 Fax: Not Provided  
Email: ronald.olson@ucm.biz

Procurement Bulletin Reference Number: Letting Items 72,78,87,148,151 Date Posted to Bulletin: 3/25/2013

### CONTRACT INFORMATION

Describe the need for this procurement or proposed contract: Letting Item 72 consists of construction related services in Pike County and includes: This project consists of milling and resurfacing 7.57 miles of Illinois Route 106 from 1.1 miles east of Kiser Creek to 1 miles east of Barry; Letting Item 78 consists of construction related services in Macon-Piatt Counties, and includes: patching, milling, resurfacing and box culvert replacement on Illinois Route 48 from north of Cundiff Road to north of the Macon/Piatt County Line for a project length of approximately 10.5 miles; Letting Item 87 consists of construction related services in Greene County, and includes: placing a new shoulder and rumble strips along 3.4 miles of Illinois Route 108 from west of TR 54 to east of TR 70 west of Carrollton. Item 148 consists of construction related services in Cass County, and includes: resurfacing 11.74 miles of Illinois Route 125 from east of Illinois Route 78 in Virginia to a point just west of Buchanan St./ Fulton Ln. in Ashland. Item 151 consists of construction related services in Scott County, and includes: 1.3 miles of patching and resurfacing on Illinois Route 100 from south of Naples Lane to south of Elm Street in Bluffs.

Total Contract Amount (Estimate if actual is unknown): \$ Item 72: 1,787,736.87; Item 78: 4,295,988.46; Item 87: 660,700.07; Item 148: 5,494,093.16; Item 151: 322,116.70

Contract Begin Date: Upon authorization to proceed is received. Department has 45 days from date of bid opening to award. Contract End Date: Item 72: 50 working days; Item 78: 60 working days; Item 87: 15 working days; Item 148: 60 Working Days; Item 151: 15 Working Days

Describe any Renewal Options (i.e. One 2-year Option): No to all.

### PROCUREMENT PROCESS

What was the method of procurement used to select this vendor? Competitive Sealed Bidding

If this vendor was selected using a competitive process, how many vendors responded to the bid? Item 72: 2 total. Item 78: 1; Item 87: 3 total; Item 148: 4 total; Item 151: 2 total.

Were any vendors disqualified? No If yes, please explain why.

If a multiple award, how many vendors were awarded a contract? Not a multiple award.

Were there any instances of low vendor rejections? No If yes, please explain why.

#### EXPLANATION OF POTENTIAL CONFLICTS OF INTEREST

For each individual identified as causing a potential conflict of interest, include the following information: name, relationship (if applicable), Agency of State employment, start date, job title and responsibilities. Indicate if any of the named individuals earn more than \$106,447.20 and explain the potential conflict of interest.

Stephen Cullinan, MD, is Chief Medical Officer of Health Professionals, Ltd. and a minority shareholder in Correctional Healthcare Companies, Inc., its parent company. Dr. Cullinan is an individual holds an interest in UCM in excess of the statutory thresholds. Illinois Valley Paving is a division of UCM, as this is why this is being disclosed on UCM's disclosure and all disclosures for the divisions of UCM.

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  - c. Contract # 9903001
- 4) Illinois Youth Center, Chicago IL:
  - a. Start Date: 7/1/07
  - b. End Date: 6/30/2012
  - c. Contract # 9903001

In addition, Dr. Cullinan holds an ownership interest in excess of 5% and does earn an income in excess of 60% of the Governor's salary. That said, however, Dr. Cullinan did not influence the competitively sealed bidding process in any way.

If a prime vendor, did they disclose their use of lobbyists? ☐ Yes ☒ No

If yes, did the lobbyists lobby on behalf of the vendor to secure this contract? ☐ Yes ☐ No

#### PROVIDE A WRITTEN STATEMENT SIGNED BY THE AGENCY REPRESENTATIVE FOR YOUR AGENCY STATING:

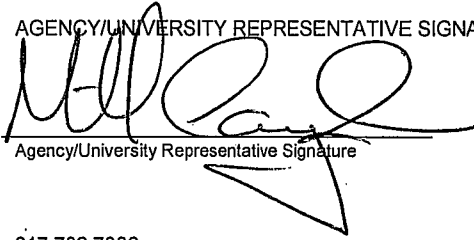
1. Is the conflict an actual conflict and whether or not any of the above named individual(s) were in a position to influence the State's award of this contract.

No it's potential. Dr. Cullinan will not be influencing the execution of this procurement.

2. Why is it in the best interest of the State to proceed with this contract.

These procurements are for State Route maintenance and repair. These are central to the Department's mission of maintaining safe travel for the motoring public.

AGENCY/UNIVERSITY REPRESENTATIVE SIGNATURE



Agency/University Representative Signature

Michael Layden

Agency/University Representative Printed Name

5/9/2013

Date

217.782.7806

Agency/University Representative Telephone

jim.layden@illinois.gov

Agency/University Representative Email Address

CPO SIGNATURE REQUIRED



CPO Signature

Bill Grunloh

CPO Printed Name

5/9/2013

Date

217.558.5434

CPO Telephone Number

bill.grunloh@illinois.gov

CPO Email Address